

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:911
ANSWERED ON:08.12.2003
WAIVING OF INTEREST ON CROP LOANS
IQBAL AHMED SARADGI

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the proposal for waiving interest on crop loans was submitted by the Government of Karnataka to the Union Government on September 19,2002
- (b) if so, whether the Government of Karnataka has decided to take up relief measure for agricultural rehabilitation by way of waiving 100% of the interest burden on crop loans falling due between July 2002 and March 2003 for the purpose of repayment;
- (c) whether the Government of Karnataka has decided to stand guarantee to the extent of 60% in favour of NABARD;
- (d) whether the Union Government has been requested to share the 50% of the interest burden on crop amounting to Rs.63.50 crore;
- (e) if so, whether the Union Government have not so far released the money;
- (f) if so, the reasons for delay; and
- (g): by when the said money is likely to be released to the State Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (d) Yes, sir.

(e) to (g) On the basis of decision taken by the Government of India, the guidelines covering the interest waiver scheme including the modalities for reimbursement of the waived amount of interest have already been issued by Reserve Bank of India/ NABARD to the banks in the drought affected states including Karnataka. Main features of the scheme are as follows:-

- (a) Deferment of the interest due in the current financial year (2002-03) on Kharif crop loans by the banks in such a way that the first installment of interest repayment is 20% of the deferred interest.
- (b) Waiver of first year's deferred interest (i.e. 20%) by the banks as a one time measure, and
- (c) Reimbursement of this amount to the banks by the Government of India.